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REAL ESTATE INCOME FUND I SPE I, LLC
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9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **LOS ANGELES DIVISION**

12 In re
13 SEATON INVESTMENTS, LLC, *et al.*,
14
15 Debtors and Debtors-in-
Possession.
16

17 Affects:

- 18 ☐ All Debtors
19 ☐ Seaton Investments, LLC
☐ Colyton Investments, LLC
☐ Broadway Avenue Investments, LLC
20 ☒ SLA Investments, LLC
☒ Negev Investments, LLC
21 ☒ Alan Gomperts
☒ Daniel Halevy
22 ☒ Susan Halevy
23
24
25

Lead Case No. 2:24-bk-12079-VZ

Jointly Administered with Case Nos.:

2:24-bk-12080-VZ; 2:24-bk-12081-VZ;
2:24-bk-12082-VZ; 2:24-bk-12091-VZ;
2:24-bk-12074-VZ; 2:24-bk-12075-VZ; and
2:24-bk-12076-VZ

Chapter 11

**STATUS REPORT RE OBJECTION BY
ARCHWAY REAL ESTATE INCOME
FUND I SPE I, LLC TO MOTION BY
AFFECTED DEBTORS FOR ENTRY OF
AN ORDER AUTHORIZING USE OF
CASH COLLATERAL PURSUANT TO
11 U.S.C. § 363(c)(2)**

Date: June 20, 2024
Time: 11:00 a.m.
Crtrm.: 1368
255 E. Temple Street
Los Angeles, CA 90012

Hon. Vincent P. Zurzolo

FRANDZEL ROBINS BLOOM & CSATO, L.C.
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR
LOS ANGELES, CALIFORNIA 90017-2427
(323) 852-1000

Secured Creditor Archway Real Estate Income Fund I SPE I, LLC (“Archway”) submits this Status Report in advance of the hearing on its objection (“Objection”) (Dkt. 99) to the *Motion by Affected Debtors for Entry of an Order Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363(c)(2)* (“Cash Collateral Motion”) (Dkt. 87) filed the jointly-administered Debtors.

Status Update:

After Archway filed its Objection, counsel to Archway and the Debtors spoke over the phone to attempt to address such Objection. The parties have not reached a resolution, but they believe a consensual resolution is possible.

Accordingly, Archway requests a three-week continuance of Thursday’s hearing to July 11, 2024, for a further interim hearing on cash collateral use. During this time period (the “Interim Period”), Archway will consent to limited use of its cash collateral if, *but only if*:

(a) Archway’s objections, rights, and remedies with respect to the Objection are reserved and preserved; and

(b) the Court approves the Debtors grant of a replacement lien in favor of Archway, retroactive to the petition date, over the same collateral as existed immediately prepetition, to the same validity, priority, and extent of Archway’s prepetition liens.

If so, then Archway consents to the use of its cash collateral to pay for ordinary costs of repair, upkeep, maintenance, and insurance of and for the Archway properties (as requested in the Cash Collateral Motion), subject to further grants of adequate protection in favor of Archway at the continued interim hearing. Unless and until Archway receives a detailed budget from the Debtors and Archway approves such budget, Archway does not consent to any payments to insiders during the Interim Period.

DATED: June 18, 2024

FRANDZEL ROBINS BLOOM & CSATO, L.C.
MICHAEL GERARD FLETCHER
GERRICK M. WARRINGTON

By: /s/ Gerrick M. Warrington
GERRICK M. WARRINGTON
Attorneys for Secured Creditor ARCHWAY
REAL ESTATE INCOME FUND I SPE I, LLC

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 1000 Wilshire Boulevard, Nineteenth Floor, Los Angeles, CA 90017-2427.

A true and correct copy of the foregoing document entitled (*specify*): **STATUS REPORT RE OBJECTION BY ARCHWAY REAL ESTATE INCOME FUND I SPE I, LLC TO MOTION BY AFFECTED DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING USE OF CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363(c)(2)** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) June 18, 2024 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page.

2. SERVED BY UNITED STATES MAIL:

On (*date*) , I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) June 18, 2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Personal Delivery (Early Morning Before Noon):

The Honorable Vincent P. Zurzolo
U.S. Bankruptcy Court
Roybal Federal Building
255 E. Temple Street, **Bin outside of Suite 1360**
Los Angeles, CA 90012-3332

☐ Service information continued on attached page.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

June 18, 2024

Annette Chase

/s/ Annette Chase

Date

Printed Name

Signature

ADDITIONAL SERVICE INFORMATION (if needed):

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”)

- Counsel to KDM: Tanya Behnam tbehnam@polsinelli.com, tanyabehnam@gmail.com;ccripe@polsinelli.com;ladoctring@polsinelli.com
- Counsel to Individual Debtors: Carol Chow Carol.Chow@saul.com, easter.santamaria@saul.com
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- Counsel to Archway: Michael G Fletcher mfletcher@frandzel.com, sking@frandzel.com
- Counsel to Party in Interest: Todd S. Garan ch11ecf@aldridgepite.com, TSG@ecf.inforuptcy.com;tgaran@aldridgepite.com
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- Trial Counsel to U.S. Trustee: Kelly L Morrison kelly.l.morrison@usdoj.gov
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- United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov
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- Counsel to Party in Interest: Jennifer C Wong bknotice@mccarthyholthus.com, jwong@ecf.courtdrive.com